

Hayd

The attached is
for your general info.

It consists of
comments by [redacted]
in response to Col.
[redacted] request for his
review of Kelly's
SP-1928 proposal.

STATINTL

STATINTL

STATINTL

Comments Kelly proposal for conversion program.

1. What type of contract do they propose? It sounds like a fixed price incentive type with the incentive on cost. If so, the contractors share line is missing. I propose a [redacted] share line.

STAT

2. A manpower loading chart is missing. It is difficult to evaluate the man hours without one. This would also be a good gauge on their expenditures since the bulk of their costs are for man power. [redacted] (total cost) No comment made by the auditor on this area.

STAT

3. Based on their expenditure chart as of 26 December 1965 and in the absence of definitive cost data back up, I would be inclined to believe that the ~~target~~ ^{existing} price should be the target price. Their actual expenditures are lagging several hundred thousand dollars under the target price.

4. Material and ^{other} direct charge makes up [redacted]

STAT

2ay 2

of the total estimated cost - How much
of this is subcontracted?

5. In view of the fact that [] of total cost STAT
is for manpower it appears to me that
this job is primarily one of management with
very little risk involved. The most
profit I would consider is [] and only
if they accepted a tighter target cost.

STATINTL

6. From all the correspondence I have
reviewed in the file I think that the
SP 870 F document should be rewritten
to reflect the work statement quoted.
Although you may have a verbal meeting
of the minds on the work to be done it
should be properly reflected in the
written document. I could be wrong but
I get the feeling that some areas of work
need to be ironed out.

[]
STATINTL